



Yardi[®] Matrix

National Self Storage Report

January 2022



Monthly Supply and Rent Recap

After a strong 2021, what can self storage expect for an encore?

- After a year with exceptional rent growth, self storage starts 2022 in a favorable position. Storage executives who participated in a panel at the recent KeyBanc Capital Markets 2022 Self Storage Investor Forum all were optimistic about demand, rent growth and capital trends in the year ahead. One executive stated: "As we look back on 2021 I consider it the greatest year to date in the storage industry." He also said: "2022 will be a good year for our business." Most operators will head into the spring leasing season with uncharacteristically high occupancy rates, giving them pricing power, not only to increase street rates but to bring existing leases up to the new market rates. Although a repeat of 2021's 8.5% rate growth for 10x10 non-climate-controlled units is unlikely, we expect strong growth in 2022.

Street rate growth remains consistent in December

- Amid healthy demand, street rates for self storage properties are coming off record-high gains. National street rates for 10x10 non-climate-controlled (NON CC) units remained at 6.7% growth in December, matching the growth rate from the previous month, while rates for similar-size climate-controlled (CC) units fell to 7.4% over the same time period. The deceleration is not surprising, and street rates remain solid by historical standards.
- Although rent growth is moderating, no metros in the top markets tracked by Yardi Matrix are seeing negative street rate growth for standard-size 10x10 NON CC and 10x10 CC units. Indeed, rent growth was 5.0% or more in 22 of the top 30 markets for NON CC units and 19 of the top 30 metros in the CC unit category. Rent growth has fallen to 2% or less in a handful of metros, including Minneapolis, San Francisco and Washington, D.C.
- Nationally, Yardi Matrix tracks a total of 3,022 self storage properties in various stages of development—comprising 734 under construction, 1,285 planned and 508 prospective properties. The new-supply pipeline as a percent of existing inventory increased by 10 basis points month-over-month, putting the share of existing projects in the planning or under-construction stages at 8.9% of existing stock.
- Yardi Matrix also maintains operational profiles for 27,245 completed self storage facilities across the United States, bringing the total data set to 31,053.